

## **Larry Alexander Testimony in Favor of Senate Bill 1065**

**Good Afternoon Chairman Horn, Vice Chairman Schmidt and Committee Members.**

**I am joining you today to speak in favor of Senate Bill 1065, *Michigan Large Special Events Fund*, and the accompanying package of Bills 1066, 1067 and 1068.**

**This opportunity to enthusiastically endorse Bill 1065 is what my team and I have been working toward for more than 5 years, first researching our competition and national best practices, and then testing our suppositions and predictions of economic benefit through a three-year grant from the *Michigan Economic Development Corporation*, evaluated at its close by *Upjohn Research***

**We are confident that we are proposing legislation that will prove to be a great value for Michigan.**

**1. This legislation creates a simple but powerful mechanism to make Michigan a more desirable choice for large special events like the NCAA Men and Women's Final Four tournaments and like events.**

## **2. Why?**

The Detroit region's experience in 2009 when we hosted the NCAA Men's Final Four in Ford Field was the eye-opener for us. Our prestigious and well-connected Host Committee was tasked with raising \$5.5 million to put on a first-class event.

At the end of the day, after two years of fund-raising and deal structuring, the Host Committee fell about \$600,000 short of the goal. That shortfall did not go unnoticed on the national scene as other destinations, in Texas and Indiana especially, began to tell their stories of funding assurances as opposed to Michigan's outdated model of just "*passing the hat*" to put on the event. And what exactly does that mean?

The host community is responsible by contract for a "host" of things: (use NCAA bid specs here).

## **3. The Current Situation**

Now, over the last two decades, Michigan has fallen behind in the mega-event arena, not because our State lacks the fields, the stadiums and the hospitality skills to host signature events, but because 31 other States have legislated mechanisms that create dependable hosting funds fed by a stream of income from the fiscal increases created by the events themselves.

## LOC EXPENSE SUMMARY

Administrative Expense Subtotal	LOC	\$4,180,000.00
BEO/Event/Food	NCAA/LOC	\$55,000.00
LOC Control Center Expense Subtotal	LOC	\$87,000.00
Décor and Look Expense Subtotal	LOC/NCAA	\$1,200,000.00
Guest Program Expense Subtotal	NCAA	\$0.00
Site Visits/Travel/Meeting Expense Subtotal	LOC	\$253,000.00
Security, Trans. and Parking Expense Subtotal	LOC/NCAA	\$840,000.00
Volunteer Expense Subtotal	LOC/NCAA	\$98,500.00
Awards and Memento Expense Subtotal	LOC/NCAA	\$67,500.00
Game Ops Expense Subtotal	LOC/NCAA	\$25,000.00
Team Welcome/Host/Transition Teams/Team Security Expense Subtotal	LOC/NCAA	\$31,000.00
Media Expense Subtotal	NCAA	\$25,000.00
Competition Venue Expense Subtotal	LOC/NCAA	\$4,675,000.00
Ticket Expense Subtotal	NCAA	\$0.00
Scoreboard/Television Broadcast Expenses Subtotal	NCAA	\$0.00
Fan Event Expense Subtotal	LOC/NCAA	\$2,650,000.00
Community and Youth Initiatives Expense Subtotal	NCAA	\$700,000.00
Marketing Subtotal	LOC/NCAA	\$540,500.00
<i>#135 M</i> Total Budget		\$15,427,500.00

**In other words, the best State examples cost the State's taxpayers nothing – but the State wins more income from *Out-of State* attendees and fans. So, I am speaking about potentially millions in new revenues for the State and prestige and a signal that Michigan is a winner in planning and investment.**

**A. let's briefly survey our competitive set, the 31 States that Michigan competes with to host the most lucrative events (Larry's map on the easel).**

**B. Next, let's look at an overlay of the experience of the past decade – where the big business went.**

**C. Last, look at where Michigan stands now for future Large Event business.**

**Senators – the graphics demonstrate that Michigan is hardly ever in the winner's circle when the bids are awarded.**

**I'm confident that Michigan cities have all it takes in infrastructure and in professionalism - we put out phenomenal bid packages in those areas – but we fall short when the meeting planner needs assurance that the hosting will be adequately funded to create grandeur and excitement. No one wants a meager, tight-fisted event!**

#### **4. The Future Proposed**

**Senate Bill 1065 is the strategic tool that will “*change the game*”, if you will.**

**For a one-time investment of \$2 million in seed money, the fund that Senate Bill 1065 creates and houses under the Michigan Department of Treasury will be replenished by new tax revenues from the events themselves.**

**There is no risk to the State, no burden for taxpayers; no downside that we can see for Michigan and its residents.**

**Of course, a funded large special events purse puts Michigan’s CVB’s on notice to get out there and make first-class bids for events – and I am confident in our ability and commitment to do just that. Detroit alone will bid on a dozen special events that fit the parameters of the legislation (use your bid list here)**

[illegible]

**Senators, as I close I'd like to say that I am proud, of all the support this legislation is drawing.**

**I know that this Committee has received letters of support, cards have been submitted today and I have here for you, a copy of the additional people and entities that have signed on for this legislation and supplied their logos for a visual record.**

**Thank you Chairman Horn and members of this Committee. It has been a privilege to be here and I will gladly work with you going forward to make this legislation successful.**

# LARGE SPECIAL EVENTS FOR MICHIGAN

## Our Growing List of Supporters

We are proud to share the growing list of supporters for Senate Bill No. 1065, who represent tourism, economic development, businesses and the communities of Michigan. The Large Special Events for Michigan legislation will provide a coordinated and rational funding policy to maximize the benefits to this state and its citizens of a vibrant tourism, meeting and convention, and sporting event industry. At its core, the legislation will create more good-paying jobs and generate additional visibility for the state, while driving economic growth and increasing state tax revenues, without levying any new taxes.



Amateur Athletic Union\*

Battle Creek CVB

Comfort Suites Southfield\*

Detroit Lions

Detroit Marriott at the Renaissance Center

Detroit Pistons

Experience Grand Rapids

Flagstar Bank

Flint & Genesee Convention & Visitors Bureau

FOX Sports Detroit

General Motors\*

Greater Lansing Convention & Visitors Bureau

Henry Ford Health System

Michigan Association of Convention & Visitor Bureaus

Mt. Pleasant Area Convention & Visitors Bureau

Sault Ste. Marie Convention & Visitors Bureau

Southeast Michigan Council of Governments

Traverse City Tourism

Visit Charlevoix

Visit Muskegon

Wayne State University

\* This organization has submitted a card or letter of support.



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